

Section DSM-5Commercial & Industrial Advanced Lighting ProgramPurpose

The Commercial & Industrial Advanced Lighting Program is an energy efficiency program that encourages commercial and industrial customers to install high efficiency lamps and ballasts in their facilities.

Availability

This program is available to commercial and industrial facilities located in all service territory served by Blue Grass Energy.

Eligibility

To qualify for the Commercial & Industrial Advanced Lighting Program the customer must be a Blue Grass Energy customer and be on a retail commercial or industrial rate. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to Blue Grass Energy. No empty buildings, inactive warehouses, or inactive storage areas shall qualify. The business must be open or have its normal lighting load on for at least 50 hours per week. Retrofits of parking lot lighting, provided on photocell control, are eligible.

Rebate

EKPC and Blue Grass Energy will provide an incentive to the customer of \$213 for each kW of lighting load reduction for businesses open 50 hours a week or more. EKPC will reimburse Blue Grass Energy an additional \$320 for each kW of lighting load reduction, which is to compensate for lost revenue. For commercial customers, rebates are limited to \$15,000 per upgrade (total of both customer and distribution system rebates) for any facility. For industrial customers, rebates are limited to \$30,000 per upgrade (total of both customer and distribution system rebates) for any facility.

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ISSUED BY [Signature] TITLE Vice President and CEO

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. 2011-00148 Dated 9-30-2011

KENTUCKY  
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN  
EXECUTIVE DIRECTOR

TARIFF BRANCH

[Signature]

EFFECTIVE

1/1/2012

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

(N)

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Section DSM-5 (cont.)

(N)

Term

The Commercial & Industrial Advanced Lighting Program is an ongoing program.

Verification Procedure

Qualifying lighting must be identified or documented by EKPC or Blue Grass Energy staff prior to retrofitting. After the customer completes the retrofit, EKPC and / or Blue Grass Energy staff must verify the installed lighting retrofit. Demand and energy savings will be calculated based on lighting information gathered during the visits. EKPC will utilize the manufacturer's lighting fixture specifications and known measurements to calculate the savings; rebates under this tariff will be paid after these verification procedures are complete.

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**JEFF R. DEROUEN**  
**EXECUTIVE DIRECTOR**

**TARIFF BRANCH**

*Brent Kirtley*

**EFFECTIVE**

**1/1/2012**

**PURSUANT TO 807 KAR 5:011 SECTION 9 (1)**

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Section DSM-6

(N)

Industrial Compressed Air Program

Purpose

The Industrial Advanced Compressed Air Program is a program designed to reduce electricity consumption through a comprehensive approach to efficient production and delivery of compressed air in industrial facilities. The program includes (1) training of plant staff; (2) a detailed system assessment of the plant's compressed air system including written findings and recommendations; and (3) incentives for capital-intensive improvements.

Availability

This program is available to commercial and industrial facilities using electric compressed air applications located in all service territory served by Blue Grass Energy.

Eligibility

To qualify for the Industrial Compressed Air Program, the customer must be on a retail industrial rate and must be a manufacturing operation with a compressed air system that is turned on during all the operating hours of the facility. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to Blue Grass Energy.

Rebate

If the customer reduces at least 60% of the compressed air leaks (CFMs), EKPC will reimburse through the Blue Grass Energy to the customer the cost of the original compressed air leakage audit up to \$5,000. The combination of Blue Grass Energy's lost revenue and the reimbursement of the compressed air leakage audit costs are limited to \$15,000 for any facility.

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**JEFF R. DEROUEN**  
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**TARIFF BRANCH**

**Brent Kirtley** Served

**EFFECTIVE**

**1/1/2012**

**PURSUANT TO 807 KAR 5:011 SECTION 9 (1)**

BLUE GRASS ENERGY COOPERTIVE CORPORATION

Section DSM-6 (con't)

Term

The Industrial Compressed Air Program is an ongoing program.

Verification Procedures

Determination of the amount of leakage reduction:

1. The leakage reduction will be determined by the measured reduction in compressed air leakage.
2. An ultrasonic compressed air leakage audit shall be performed and the results of this audit provided to the customer and EKPC. The report will contain an estimate of the amount of excess load in kW that the leaks are causing. The report will include a detail of leaks detected. The detail of leaks and the excess kW load will be based on the criteria for leak reporting.
3. Upon completion of repairs to the system, a follow-up ultrasonic compressed air leakage audit will be conducted for the documented leaks to measure the difference in the kW leakage load. The follow-up audit report will show the net kW leakage saved and results provided to the customer and EKPC. A lost revenue reimbursement will be paid to Blue Grass Energy based on the difference in the kW leakage load and the cost of the original air-leakage audit will be reimbursed to the customer if a 60% reduction in CFMs air leakage is achieved.

Criteria for leak reporting:

1. The criteria for reporting leaks shall be at the discretion of the auditor. At a minimum the report must detail the leak location, decibels measured, CFM of air leakage, and kW leakage load for each leak and summed for the facility.
2. The basic rule is that leaks that do not exceed 30 decibels in ultrasonic noise will not be reported or counted in the leakage kW load.
3. Exceptions to the 30 decibels rule are as follows:
  - a. In a quiet environment with a minimal amount of compressed air, the minimum will drop to between 15 to 20 decibels.
  - b. In a high noise environment, especially with robotic welding, the minimum will be raised to 40 to 50 decibels.
  - c. Distance is also a factor. A 25 decibel leak in a trunk pipe in a 20-foot ceiling, in a noisy environment, will be documented and added to the leakage kW according to the distance.

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ISSUED BY James M. Smith

TITLE Vice President & CEO

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**JEFF R. DEROUEN  
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